



BEST EXECUTION POLICY

Fondaco Lux S.A.

SEPTEMBER 2024

Version History

Last version	March 2020
Policy Owner	Operations
Update description	Periodical review
Approved by MC	16 September 2024
Approved by Board	17 September 2024

TABLE OF CONTENTS

TABLE OF CONTENTS.....	- 4 -
I INTRODUCTION.....	- 5 -
II BEST EXECUTION CRITERIA.....	- 5 -

I INTRODUCTION

Fondaco Lux S.A. (hereinafter "the Company"), incorporated under the laws of the Grand Duchy of Luxembourg, is a Management Company with licence to manage funds (hereinafter the "Funds") under both the UCITS regulation and the AIFMD.

For the vast majority of the Funds, the Company delegated the portfolio management activity to external investment managers (the "Investment Managers" or "Investment Manager") under the provisions contained in, and in respect of, the investment management agreements (the "IMA") signed by the Company and each Investment Managers.

For other Funds, the portfolio management activity is performed in house by the Company; such funds are largely invested in third-party funds.

Consequently, Investment Managers and only marginally the Company access the financial markets for buying and selling financial instruments.

A part for the portfolio management activity performed in house, the Company may occasionally give instructions, by a formal decision of the Conducting officers, to the delegated Investment Managers to buy or sell financial instruments.

With the present policy, the Company is intended to ensure that all actors execute markets orders in compliance with all relevant rules.

The Best Execution Policy is reviewed annually and whenever there are material changes affecting best execution

II BEST EXECUTION CRITERIA

The aim of the Policy is to provide procedures for the prompt, fair and expeditious execution of orders for the Funds, ensuring that the orders are executed promptly and are accurately recorded and allocated.

In particular:

- Comparable orders are executed sequentially and promptly with their time of settlement, unless this:
 - is impracticable because of the characteristics of the orders or prevailing market conditions; or
 - is not in the best interests of the Fund/Fund's investors.
- It is possible to aggregate Fund orders with orders for other funds (AIFs, UCITs or client) if:
 - it is reasonably expected that aggregation will not work to the overall disadvantage of any AIF, UCITs or other client whose order is to be aggregated;
 - it has implemented a policy for the fair allocation of aggregated orders (including how the volume and price of orders determine allocation, and how partial executions are treated);
 - partially executed orders are allocated in accordance with the Investment Manager's order allocation policy;
 - it is possible to aggregate orders for AIFs, UCITs or other clients with the Company's own orders if the resulting trades are not allocated to the AIF, UCITs or client in priority over those for the Company own account (unless the Company can demonstrate that aggregation was necessary for the transactions to be carried out on such advantageous terms, or at all – in which case, they may be proportionally).

Regarding the Funds for which the portfolio management activity is delegated to the Investment Managers, the Best Execution Policy of the Company follow the below steps:

- initial due diligence
- on-going due diligence

- delegated activities monitoring

The initial due diligence is the first step to be followed and consist of checking if the Investment Manager has formally adopted an internal Best Execution policy compliant with the characteristic of the managed fund and with the following relevant rules and legal requirements: In particular, such Best Execution Policy established by each Investment Manager needs to include at least the criteria indicated for the Company.

In the frame of the checking the delegated activities, with the on-going due diligence the Company request the Investment Manager to demonstrate that approved Best Execution Policy is respected in the day-to-day activity. This will be done requiring the Investment Manager to disclose details about specific orders (i.e. all executed trades of a given period) to verify if the trades details comply with the Best Execution rules.

In particular, the considered factors are the price, cost, speed and likelihood of execution and settlement, size, nature of the trades or any other consideration relevant to its execution. The following criteria will be adopted for better identify the factors:

- the characteristic of the market in which the order can be placed.
- management style, investment policy, risk of the sub-fund as indicated in the Prospectus or in the IMA investment guidelines.
- the characteristic of the orders.
- the characteristic of securities.

In order to monitor the delegated activities and to verify that the delegated Investment Managers acts in line with the Best Execution Policy and in the best interest of the funds/funds' investors at all times, the Operation Department may, on an semi-annual basis, make a spot control taking a sample of at least 10 orders executed in subsequent consecutive days of market opened at the same time interval.

The quality of the execution is verified also based on the following criteria:

- price;- this is the market price a Financial Instrument is executed at;
- costs and or commissions; - commission rates for execution if applicable;
- speed of execution and settlement; – this is the time it takes to execute an order, including settlement;
- likelihood of execution and settlement;- the likelihood that the Investment Manager will be able to complete an order;
- size of the trade;-this is the size of the order executed on behalf of a Fund, accounting for how this affects the price of execution;
- nature of the trades;- this is how the particular characteristics of order can affect how Best Execution is received;
- any other consideration relevant to the execution of the orders.

At the end of the monitoring, report will be sent to the Conducting Persons of the Funds.